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FM AIT TAIPEI
TO SECSTATE WASHDC 0778

S E C R E T AIT TAIPEI 000076

STATE FOR ISN/MTR JAMES MAYES

E.O. 12958: DECL: 01/20/2034
TAGS: PARM PREL TW

SUBJECT: TAIWAN REPORTS IRANIAN MISSILE PROGRAM DID NOT RECEIVE CONTROLLED EQUIPMENT FROM TAIWAN (S)

REF: A. 2008 SECSTATE 109924
1B. 2008 SECSTATE 109927
1C. 2008 SECSTATE 109928

Classified By: AIT Economic Section Deputy Chief Mike Cavanaugh for reason 1.4(C)

11. (S) In a letter dated December 31, Board of Foreign Trade (BOFT) Department of Import and Export Licensing and Administration officer Chang Chih-chung replied to reftel requests to investigate, and implement sanctions on, four Taiwan companies for likely violations of export control regulations by exporting controlled items to Iran. The text of the response follows:

12. (S) Begin text of BOFT letter: Please find BOFT,s investigation result of the case that Taiwan,s Gtech testing Machines Inc., Vision Wide Tech Co. Ltd., Proking Machinery Co. Ltd., and Joemars Machinery and Electric Industrial Co. Ltd. likely violated export control regulations by exporting controlled commodities to Iran.

Explanations:

--This letter was made to respond to AIT,s letters dated October 15, 2008, with numbers 109924, 109927, 109928, etc.

--To prevent these subject four companies from exporting commodities to Iran for WMD purpose, BOFT has strengthened control measures to include (1) ask the Directorate General of Customs to enlist these companies as the high-risk manufacturers in Custom,s Risk Management System; (2) request these companies in letter that in the future they need to apply for (BOFT Strategic High-Tech Commodities) SHTC export permits before exporting goods when the trading partners are from Turkey or Iran; (3) to include these companies in BOFT,s regular-inspection list.

--BOFT,s investigations found that according to the companies, export records, Gotech did not apply for exporting goods to Iran,s Shahid Hemmat Industrial Group (SHIG) or Sabalan Company from March to September 2008; Vision Wide did not export machine tools to Iran, but did export one to Turkey from June to September, 2008; Pro-king had no machine-tool export record to Iran and Turkey from June to September 2008; and Joemars did not export commodity to from August to September 2008. In addition, based on the verification report numbered 9712034 from the Verification Team of the BOFT,s Verification and Inspection Task Force, the machine tool which Vision Wide exported to Turkey was not in SHTC controlled list, and it was indicated in the manifest that the buyers were American Households and Nasr Ghaleb, who were not in international black lists, nor in Taiwan,s Watch List.

--The overall investigation provided no evidence showing that these companies exported SHTCs illegally. End text of BOFT letter.

SYOUNG

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End Cable Text